

## Assembly Bill No. 2405

### CHAPTER 917

An act to add a heading as Article 1 (commencing with Section 14835) to, and to add Article 2 (commencing with Section 14845) to, Chapter 6.5 of Part 5.5 of Division 3 of Title 2 of the Government Code, relating to state contracts.

[Approved by Governor September 28, 1998. Filed  
with Secretary of State September 28, 1998.]

#### LEGISLATIVE COUNSEL'S DIGEST

AB 2405, Leach. Small business contracts.

Existing law provides for various programs for the development of small business opportunities in the state, and sets forth the duties of the Department of General Services, and the small business advocate within the department, in promoting small business participation in state contracts.

This bill would require the small business advocate in the Department of General Services to provide specified services in assisting small businesses, and would require each state agency, with specified exceptions, to designate a small business advocate as a liaison to small business suppliers by performing specified duties. It would require state agencies to conduct solicitation and acquisition activities according to certain criteria and authorize state agencies to apply certain considerations to business awards.

*The people of the State of California do enact as follows:*

SECTION 1. A heading is added to the Government Code immediately preceding Section 14835, to read:

#### Article 1. General Provisions

SEC. 2. Article 2 (commencing with Section 14845) is added to Chapter 6.5 of Part 5.5 of Division 3 of Title 2 of the Government Code, to read:

#### Article 2. Small Business Advocacy

14845. Using existing resources, the Department of General Services' small business advocate shall, at a minimum, provide the following services:

(a) Assist small businesses by providing information regarding all of the following:

(1) Identification of potential small business subcontractors and potential subcontracting opportunities.

(2) Solicitation protest procedures and timelines.

(3) Prompt payment procedures.

(b) Using existing resources, develop and maintain an outreach and education program to assist small businesses to establish the California multiple award schedule. The department shall actively promote the availability of small business suppliers to deliver or provide a broad range of goods and services to governmental agencies through their participation in the California multiple award schedule program established pursuant to Chapter 2 (commencing with Section 10290) of Part 2 of Division 2 of the Public Contract Code and other types of contracts established by state agencies for repetitively used and commonly needed goods and services.

(c) Whenever the director consolidates the needs of multiple state agencies and establishes a contract for repetitively purchased or commonly needed goods or services, the director shall both encourage bidders to utilize small business suppliers and subcontractors, and utilize multiple award methods whenever practicable to further ensure that a fair proportion of needed goods and services are obtained from small businesses.

(d) Using existing resources, establish a training and development program for acquisition professionals, including methods for structuring solicitations to enhance the participation of small businesses in state contracting.

(e) Using existing resources, the department shall establish a recognition and awards program for state employees who make an outstanding contribution to the state's overall effort to increase the level of small business participation in state contracting.

(f) Prepare, and make available to the public, a directory of certified small business suppliers.

(g) In its review of state agency acquisitions, the department, as applicable, shall identify areas where improvements in the level of participation of small businesses in state contracting can be achieved.

14846. (a) (1) Using existing resources, each state agency shall consolidate its existing staff functions that relate to contract opportunities for small business into a single point of contact for small businesses and designate a small business advocate as a liaison to small business suppliers.

(2) Each small business advocate shall, at a minimum, provide for both of the following:

(A) Make information regarding pending solicitations available to, and consider offers from, California small business suppliers capable of meeting the state's business need, and who have registered with the state for this purpose.

(B) Ensure that payments due on a contract with a small business are made promptly, as provided for in Section 926.15 or 927, whichever applies.

(3) This subdivision shall not apply to state agencies whose contracting expenditures total less than one hundred thousand dollars (\$100,000) annually.

(b) Prior to placing orders under the California multiple awards schedule program, state agencies shall first consider offers from small businesses that have established multiple award schedules whenever practicable.

(c) State agencies shall identify and implement innovative acquisition operating processes, including payment processes, and strategies for small business participation. To maximize the benefits, state agencies shall actively share information about these innovative processes with other state agencies.

(d) State agencies shall prepare solicitations, and any related bid submission requirements, in a manner consistent with the scope, complexity, and anticipated cost of the acquisition. Where appropriate, state agencies shall provide bidders with simplified and streamlined tools and methods for responding to solicitations that allow bidders to efficiently, expeditiously, and cost-effectively respond to the contracting opportunity.

14847. (a) In determining eligibility of a business for an award, state agencies may consider all of the following:

(1) Whether the bidder has the necessary facilities, organizational capability, experience, managerial and technical competency and skills, and financial resources to fulfill the terms of the contract.

(2) Whether the bidder has the capability to comply with the required delivery or performance schedule, taking into consideration other business commitments.

(3) Whether the bidder has a history of satisfactory or better performance, as demonstrated by a results-oriented track record, written performance evaluations, or other relevant information obtained from references.

(b) State agencies may enter into contracts with multiple sources when in the best interests of the state.

(c) The Department of General Services shall establish procedures and guidelines for the implementation of this article.

